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ABSTRACT OF THE DIPLOMA THESIS

**Business Plan for a Company Providing
Custom Adventure Tours**

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Summary

The diploma thesis deals with an issue of founding a new company providing **custom adventure tours in the form of itineraries**, called **independent tours**. Thus, the main objective is to create a business plan to start running a small business.

The first section, the literature overview provides definitions of an enterprise and other related concepts. There is a summary of the Czech legal regulations regarding founding a company. The last part of the literature overview concerns issues of creating a business plan and exploring the structure and the content of particular parts of a business plan.

The theoretical part is followed by the second part, the own research. In this section, there is an introduction of the business, the strategic analysis, which explores forces in macro and micro environments, and help to understand opinions and habits of potential customers. On the basis of the author's own contribution and the strategic analysis, there is suggested a business strategy, a marketing, an organizational, an operation, and a financial plan.

Keywords: business plan, small enterprise, PEST analysis, tourism, market analysis, SWOT analysis, business strategy, marketing plan, financial plan

Objectives

The main objective of the thesis is to create a business plan to start running a small business, for a company providing custom adventure tours in the form of itineraries.

To achieve the main objective, it is necessary to define particular objectives which have to be fulfilled. These partial objectives are included in the section **Own Research** and are following:

- to describe the company, its product, and purpose of the business;
- to analyze the tourism industry, external macro and micro environments, a competitor analysis;
- to execute a market research;
- to summarize results from strategic analyses into a SWOT analysis;
- to suggest a business strategy, a marketing, an organizational, an operational, and a financial plan.

After creating the business plan, objective is to suggest recommendations for the investigated company.

To achieve the main objective, the literature overview is needed. The partial objective for the **theoretical part** is to identify an enterprise, especially a small enterprise, then to make

a summary of the Czech legal regulations regarding running a business. The last partial objective is to explore the structure and the content of particular parts of a business plan.

Methodology

The diploma thesis is divided into two main parts, the literature overview and the own research including the business plan. In the **literature overview**, secondary data is used, thus this part is written through studying, reading and processing recommended sources. The sources mainly include literature about enterprises and writing a business plan. Regarding the section about the Czech legal system, this part was created by reading carefully and by understanding the law of the Czech Republic.

The second part, the **own research** includes more objectives and for each objective, a different methodology is used. The first is the **strategic analysis**, the exploration of the tourism industry, the environmental analysis, and industry analysis are made by the exploration of forces influencing the tourism industry. There are mainly used the statistical data and outputs from other researches. The environmental analysis uses the PEST analysis which investigates political and legal, economic, social and demographic, and technological factors influencing the tourism industry. In the industry analysis, the Porter's five forces model is used to examine the micro environment of the investigated company. The competitor analysis is made by choosing the closest competitors. They are described and their portfolios, channels as websites or even mobile applications, and social media are explored. In the market research, objectives of the market research are set, then three main characteristics for the market segmentation are explored. The market research is made by an anonymous questionnaire which is spread mainly via social media and among acquaintances. The SWOT analysis summarizes gathered information from the analyses described above.

The business strategy and plans like the marketing, the organizational, the operational, and financial plan, are based on the findings from the strategic analysis and created by the author's own contribution and ideas.

Conclusion

The main objective of the diploma thesis was to create the business plan for a small company providing custom adventure tours in the form of itineraries.

Firstly, there was written the **literature overview** which provides definitions of an enterprise and other related concepts. The Czech legal regulations regarding running a business were delimited. To finish the literature overview, was obtained by studying and

processing literature and other sources which were focused on creating a business plan. The gained information was crucial for writing the **own research**.

Later, in the section 4.1, the business was described and the name *birdWings* was invented. The company will sell independent tours via two distributional channels: the website (www.birdwings.com) and the mobile application BirdWings. The target customers like active and adventure holidays, prefer individual travelling without using tour operators (hereinafter used the abbreviation “TOs”) and travel agencies (hereinafter used the abbreviation “TAs”), and use the Internet and smartphones to plan their holidays. *BirdWings* will target people mainly from the Czech Republic; however, the products will be in Czech as well as in English language, there is a plan to extend the market to inhabitants from the middle Europe. The vision and mission of the company were introduced too.

The next section, 4.2 **strategic analysis** was completed by developing more analyses. The exploration of the tourism industry, the environmental analysis (PEST analysis), and industry analysis were written by using statistical data and results from other researches. In the competitor analysis, the closest competitors were chosen, compared and analyzed. The market analysis was made by the anonymous questionnaire. All significant findings from the strategic analyses and the business introduction were summarized into the SWOT analysis and divided into strengths, weaknesses, opportunities, and threats.

To shortly conclude the **strategic analysis**, it can be said that most of the macro environment findings are suitable for running the business, with the exception of the fear of refugees and terroristic threats. The tourism industry is also overcrowded by TOs and TAs, and other travelling companies and platforms. The main positive aspect is seen in technology development. Using mobile phones belongs to the day by day life of society and even shopping via mobile phones has been increasing significantly in last few years. The strength of *birdWings* is in using two distribution channels which means to capture also customers who are not familiar with using mobile applications yet. *BirdWings* will offer another option to those who travel actively, without using tour operators and travel agencies and at the same time to travel individually. According to the market research, most of the people plan travelling by themselves or choose a tour of TOs and TAs on the Internet. If they travel with TOs and TAs, they are looking for a comprehensive solution of a tour. However, most of them do not travel with TOs and TAs at all. *BirdWings* avoids dissatisfaction of the customers of TOs and TAs which is seen in a high price, a content is not according to customers’ ideas, and unsuitable dates.

Other parts were created on the basis of author's own contribution and the strategic analysis. In the **business strategy**, there was created the plan for the first year before starting running the business, and the strategy for the first year of running the business.

The **marketing plan** was completed by suggestion of the marketing strategy which includes movements for increasing awareness of the company and promotion of the product. The company will use the storytelling strategy when the founder will be a face of the company; this strategy is connected to the creation of the blog Nature Lover. The company will use the website, the mobile app, the blog, social media (Facebook, Twitter), and email marketing to promote the company and products. In the marketing mix, the product is more specified; the price, promotion and place for that product were set.

Then, the **organizational** and the **operational plan** were elaborated. In the operation plan, the owner and other necessary staff were described. In the operational plan, the process of creating the product was explained.

To complete the **financial plan**, the costs analysis, the starting balance sheet, the revenue analysis, the income statement, and the balance sheet for the first year of running the business had to be processed. The first year will be the most burdening due to initial investments. However, these initial investments will be covered in the first year and also there will be earnings to invest in the next year.

In the section 5, **recommendations** regarding the founding of the company as to make a partnership, use only the mobile app, and discuss a different paying system with an IT company; and other improvements for the extension of the business plan were suggested.

All set objectives were fulfilled and research questions answered, thus the complete business plan was created which is the main objective of the thesis. Now, the business plan is prepared for author's using.

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